

Message Text

CONFIDENTIAL

PAGE 01 JAKART 07522 070952Z

ACTION EA-12

INFO OCT-01 ISO-00 COME-00 EB-08 SSO-00 /021 W

-----093504 070958Z /11

O 070925Z JUN 78

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC IMMEDIATE 9288

C O N F I D E N T I A L JAKARTA 7522

E.O. 11652: GDS

TAGS: EINV, ID

SUBJECT: REQUEST FOR INFORMATION ON KEDAUNG GROUP

REF: STATE 138032

1. COMING REPRESENTATIVES HAVE VISIT INDONESIA ON AT LEAST TWO OCCASIONS IN THE PAST YEAR IN PURSUIT OF THEIR POSSIBLE INTEREST IN A JOINT VENTURE WITH THE KEDAUNG GROUP FOR THE MANUFACTURE OF GLASS DINNERWARE FOR THE INDONESIAN MARKET. EMBOFFS HAVE DISCUSSED THE PROJECT AND THE PROPOSED LOCAL PARTNERS WITH THEM DURING THOSE VISITS AND HAVE EXCHANGED CORRESPONDENCE WITH THEM ON THE SUBJECT.

2. P.T. KENDAUNG IS A MANUFACTURER OF GLASS, CORRUGATED BOXES, SPONGE RUBBER, AND ADHESIVE. THE CURRENT MAIN LINE OF BUSINESS IS GLASS TUMBLERS OF WHICH IT IS THE LARGEST PRODUCER IN INDONESIA, WITH 134,000 GROSS PER MONTH. CURRENT SALES VOLUME IS ABOUT \$1 MILLION PER MONTH. DUE TO PROFITABLE OPERATIONS, KEDAUNG HAS RECENTLY OPENED A NEW PLANT IN SURABAYA AND IS CONTEMPLATING AN EXPANSION IN JAKARTA WHICH WOULD DOUBLE CAPACITY.

3. SUBSIDIARIES AND AFFILIATES OF P.T. KEDAUNG INCLUDE:

P.T. KEDAUNG INDUSTRIAL LTD. JAKARTA (GLASS, CARTONS, AND SPONGE RUBBER)

P.T. INDOMETAL SEDJATI ENTERPRISES LTD. (UTENSILS

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 JAKART 07522 070952Z

AND METALS)

P.T. INDOFREEZE INDUSTRIAL LTD. (ICE CREAM)

P.T. KEDUNG SETIA INDUSTRIAL LTD. (ENAMEL WARE)

P.T. KEDAUNG SUBUR INDUSTRIAL LTD., SURABAYA (GLASS AND CARTON BOX)

P.T. KEDAUNG BACHTERA, JAKARTA (SHIPPING)

P.T. KEDAUNG INDAH CAN, SURABAYA (CAN MAKING)

4. ACCORDING TO INFORMATION SUPPLIED TO THE EMBASSY BY THE COMPANY, AUTHORIZED CAPITAL IS \$3.3 MILLION, HELD BY SEVEN SHAREHOLDERS INCLUDING PROBOSUTEDJO, THE PRESIDENT'S HALF BROTHER. HOWEVER, ACCORDING TO THE LATEST REVISION OF THE ARTICLES OF ASSOCIATION (1970) AUTHORIZED CAPITAL IS \$1.25 MILLION OF WHICH \$750,000 IS PAID UP, AND PROBOSUTEDJO IS NOT LISTED AS A SHAREHOLDER. CHIEF SHAREHOLDER WITH NEARLY HALF OF THE EQUITY IS AGUS NURSALIM (WHOSE CHINESE NUAME IS LIM DJU KUANG). NURSALIM IS REPORTEDLY THE DOMINANT SHAREHOLDER IN ALL OF THE KEDAUNG GROUP COMPANIES AND HAS INTERESTS IN AT LEAST HALF A DOZEN OTHER COMPANIES.

5. WHETHER OR NOT HE IS A SHAREHOLDER, PROBOSUTEDJO DOES APPEAR NOW TO BE AFFILIATED WITH THE COMPANY AND CORNING WILL HAVE TO DETERMINE WHETHER THAT IS AN ASSET OR A LIABILITY. HE IS REPORTEDLY INVOLVED IN "DOZENS" OF COMPANIES AND IS KNOWN TO TRADE HEAVILY ON THE INFLUENCE OF THE PRESIDENT. ALL REPORTS FROM BANKS AND OTHER SOURCES ON P.T. KEDAUNG ARE FAVORABLE AND AS FAR AS WE CAN TELL IT IS A WELL RUN COMPANY.

6. WE UNDERSTAND PROBOSUTEDJO IS DEPARTING JUNE 8 FOR THE U.S. TO DISCUSS THE PROPOSED JOINT VENTURE AT CORNING'S INVITATION.
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 JAKART 07522 070952Z

MASTERS

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MANUFACTURES, BUSINESS REPUTATION
Control Number: n/a
Copy: SINGLE
Draft Date: 07 jun 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978JAKART07522
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780237-0727
Format: TEL
From: JAKARTA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780687/aaaacwun.tel
Line Count: 95
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 3b415e90-c288-dd11-92da-001cc4696bcc
Office: ACTION EA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 78 STATE 138032
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 30 apr 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2458239
Secure: OPEN
Status: NATIVE
Subject: REQUEST FOR INFORMATION ON KEDAUNG GROUP
TAGS: EINV, BBAK, ID
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/3b415e90-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014